

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	
TEXAS STANDARD OIL COMPANY,	§	CASE NO. 08-34031
	§	CHAPTER 11
Debtor.	§	
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TEXAS STANDARD OIL COMPANY	§	
	§	
v.	§	CONTESTED MATTER
	§	CLAIM NO. 6
	§	
FOREST OIL CORPORATION	§	

**DEBTOR'S OBJECTION TO CLAIM NO. 6 FILED BY
FOREST OIL CORPORATION**

THIS IS AN OBJECTION TO YOUR CLAIM. THE OBJECTING PARTY IS ASKING THE COURT TO DISALLOW THE CLAIM THAT YOU FILED IN THIS BANKRUPTCY CASE. YOU SHOULD IMMEDIATELY CONTACT THE OBJECTING PARTY TO RESOLVE THE DISPUTE. IF YOU DO NOT REACH AN AGREEMENT, YOU MUST FILE A RESPONSE TO THIS OBJECTION AND SEND A COPY OF YOUR RESPONSE TO THE OBJECTING PARTY WITHIN 20 DAYS AFTER THE OBJECTION WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE OBJECTION IS NOT VALID. IF YOU DO NOT FILE A RESPONSE WITHIN 20 DAYS AFTER THE OBJECTION WAS SERVED ON YOU, YOUR CLAIM MAY BE DISALLOWED.

Claimant's Name & Address and Claim Amount:

Forest Oil Corporation
c/o Bradley L. DeLuca
4 Houston Center
1221 Lamar, Suite 1000
Houston, Texas 77010

Claim No. 6: \$878,153.43

TO THE HONORABLE JEFF BOHM, UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, Texas Standard Oil Company ("Debtor"), and respectfully files this *Objection to Claim No. 6 Filed by Forest Oil Corporation* and shows as follows.

1. Debtor seeks disallowance of Claim Number 6 as it
 - i. lacks supporting documentation;
 - ii. is contingent;
 - iii. is estimated and not due and payable;
 - iv. is, based on information and belief, duplicative in that it asserts claims accounted for in the final judgment in the Lawsuit¹;
 - v. is not in accordance with the final judgment in the Lawsuit; and
 - vi. is, based on information and belief, based on misallocation of costs concerning the Properties².

2. On or about October 29, 2008, Forest Oil Corporation ("FOC" or "Forest") filed a proof of claim, claim number 6, for \$878,153.43 asserting a secured claim based on:

- a. Judgment Amount: \$24,103.00;
- b. Costs of court: \$7,904.22;
- c. Joint interest billing statements: \$56,242.00; and
- d. Attorneys fees: \$782,000.00

(the "Claim"). A true and correct copy of the Claim is attached hereto as Exhibit "A".

¹ Pre-petition, a judgment was entered in Case No. G-05-490 *Texas Standard Oil Company v. Forest Oil Corporation, et al.* in the United States District Court for the Southern District of Texas, Houston Division (the "Lawsuit"). In the Lawsuit, Forest Oil Corporation ("FOC"), Mariner Energy Resources, Inc. ("MER"), Mariner Energy, Inc. ("MEI") (collectively, "Mariner"), Apache Corporation ("AC"), Noble Energy, Inc. ("NEI"), and Coldren Resources, L.P. ("CR") filed counterclaims against the Debtor. All parties appealed the Lawsuit. The style of the Lawsuit on appeal in the Fifth Circuit Court of Appeals is Case No. 08-40390; *Texas Standard Oil Company v. Forest Oil Corporation, et al.* (the "Appeal").

² Debtor is a working interest owner in two oil and gas properties operated by Mariner. One property is known as High Island 552 ("HI 552"), and the other property is known as West Delta 34 ("WD 34") (collectively, the "Properties").

3. Attached to the Claim is an Order dated March 28, 2008 assessing costs against the Debtor in the amount of \$7,904.21. The Claim does not include the judgment, the joint interest billing statements, or any evidence of attorneys' fees in its supporting documentation.

4. Based on information and belief, the judgment amount asserted in the Claim is based on the judgment attached hereto as Exhibit "B" (the "Judgment"). The Judgment is for \$24,103.00 and does not include any amount for joint interest billing statements or attorneys fees.

5. The jury verdict from the Lawsuit is attached hereto as Exhibit "C" and explicitly denies Forest recovery of any attorneys' fees.³

6. Based on information and belief, the joint interest billing statements issued by Forest do not follow the accounting allocation adopted by the jury in the Lawsuit. Specifically, the Debtor believes that Forest is allocating a higher percentage of costs to the Debtor's remaining interest in the property than warranted.

7. In addition, Forest appears to request amounts both pre- and post-judgment that may have already been paid to Forest by third parties. In October 2008, Mariner, the current operator of the Properties, issued a \$532,117.22 credit to Debtor indicating that the other working interest owners may have paid the Debtor's alleged expenses Forest seeks in its proof of claim.

8. For these reasons, Debtor objects to the Claim because it

- i. lacks supporting documentation;
- ii. is contingent;
- iii. is estimated and not due and payable;

³ See Question No. 9.

- iv. is, based on information and belief, duplicative in that it asserts claims accounted for in the final judgment in the Lawsuit;
- v. is not in accordance with the final judgment in the Lawsuit; and
- vi. is, based on information and belief, based on misallocation of costs concerning the Properties.

WHEREFORE, the Debtor respectfully prays that the Court disallow Claim No. 6 in its entirety and for all further relief to which it is justly entitled.

Respectfully submitted,

/s/Heather H. McIntyre

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COUNSEL FOR TEXAS STANDARD
OIL COMPANY

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above foregoing has been served upon the following by first class U. S. Mail and/or by ECF on January 19, 2009.

Claimants

Forest Oil Corporation
c/o Bradley L. DeLuca
4 Houston Center
1221 Lamar, Suite 1000
Houston, Texas 77010
Via ECF

Forest Oil Corporation
c/o Corporation Service Company
701 Brazos Street, Suite 1050
Austin, Texas 78701
Via U.S. Mail

Mariner Energy, Inc.
c/o CT Corporation System
350 N. St. Paul Street
Dallas, Texas 75201
Via U.S. Mail

Claimant's Counsel

Bradley L. DeLuca
4 Houston Center
1221 Lamar, Suite 1000
Houston, Texas 77010
Via ECF

US Trustee

Stephen Statham
U S Trustee
515 Rusk St, Ste 3516
Houston, TX 77002
Via ECF

Parties Requesting Notice

Bradley DeLuca/Brigid Ashcroft
George A. Kurisky, Jr.
Johnson DeLuca Kennedy, et al.
1221 Lamar Street, Suite 1000
Houston, Texas 77010
Via ECF

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Via ECF

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/s/ Heather H. McIntyre
Heather McIntyre